

August 28, 2008

Candace Carlson
Contract Administrator
King Street Center, KSC-TR-0415
201 South Jackson Street
Seattle WA, 98104-3856



ERG

TRANSIT SYSTEMS

RE: Return of Change Order No. 28 - Third Party Retail Reports

Dear Candace,

Since the Agencies have chosen to remove compensation for all administrative hours for the performance of the work in Change Orders No. 28 – Third Party Retail Reports, ERG is not equitably compensated for the work or the schedule impacts of performing this work. The work under this Change Order was not anticipated in the Contract or in the pricing of the Contract. It is new work that has increased ERG's cost of performance. As such, an equitable adjustment to the Contract price is required to be made per Contract Section 3.I-31.2.

ERG has already complied with the contract requirements to protest the Agencies' dismissal of administrative costs for new work. Despite the decision of the Dispute Review Board, which is not binding on either party (RFCS Contract, 3.I-34.7), being compensated for all work performed is critical to ERG and it will pursue all available options to defend and protect its right to be fully paid for the work it performs. Furthermore, ERG retains all rights to pursue all remedies available under the law.

ERG returns these Change Orders unsigned and in protest. This work has been sent to ERG under directive Change Orders and, therefore, ERG will proceed with the work as directed.

If you have any questions, please contact me at (925) 686-8210.

Sincerely yours,

John Winyard
Project Director

(Per ILA Approval Requirements)

<input checked="checked" type="checkbox"/>
<input type="checkbox"/>

CA Approval

JB Approval

**REGIONAL FARE COORDINATION SYSTEM
CHANGE ORDER NO. 28**

CONTRACTOR: ERG Transit Systems (USA) Inc.
CONTRACT NUMBER: 229944

This Change Order to Contract #229944 ("Change Order") is executed as of 1/4/08 by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
2. King County ("King County")
3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")
4. Pierce County Public Transportation Benefit Area ("Pierce Transit")
5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

BACKGROUND

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. The Agencies and the Contractor desire to execute this Change Order No. 28 to provide for the development of a new standard report which will be known as the "Daily Sales for Retailer" report.

TERMS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, Contractor and Agencies agree as follows:

AGREEMENTS

The Agencies and the Contractor hereby agree to the following changes to the Contract.

1.0 Compensation Changes

This Change Order shall give rise to no additional compensation except for the flat rate charge of \$7,817 specified in Exhibit 9 to the Contract, entitled "Price Schedule", Section XVIII, Item F, entitled, "Development of Additional Reports", Sub A "Cost per Report for development of a new standard report not listed in Section 6.III – 13"

2.0 System Documentation Modifications

The Contractor shall provide the Agencies with revised manuals, materials and other system documentation as needed for the new standard report developed under this change order.

3.0 Division III Changes:

Contract Division III, Section 6.III-13.3.1 is changed by adding a new subsection "xix" to list this new standard report. The agreed content and format of this new standard report is more fully described in the "Description of the Daily Sales for Retailer Report" attached hereto and made a part hereof as Attachment CO 28-A.

13.3.1 Standard System Performance Reporting

Where applicable, the RFCS shall generate the following standard system reports automatically on an agreed schedule defined for each report. When required, and respective of system processing rules, the report(s) may also be run on demand. Report generation may be restricted by processing rules when necessary to minimize impacts on system processing resources (such as preventing full database passes)

- (a) Financial management reports, including as a minimum:
 - i. Daily Sales by Participant
 - ii. Daily Sales by Payment Type
 - iii. Exception Items
 - iv. Missing Add Value Transactions
 - v. Net Settlement Position for all program participants

- vi. Daily Settlement Position reports including:
 - (1) Settlement account and bank account identifiers
 - (2) Purse transactions summarized by sales, fare payments, transfer adjustments, refunds, and escheatment value transfers
 - (3) Sales transactions summarized by purse sales, sales of own products, sales of other Participant products
 - (4) Other transactions summarized, including but not limited to (based on Participant), manual adjustments, apportionment values, expired transaction value, transfers from Institutional or Lead Agency accounts
- vii. Transaction summary information based on the Clearinghouse settlement date for Agency, centralized role, or retailer
- viii. Transaction summary information showing when transactions were processed through settlement, by the Agency's reconciliation date
- ix. Claim transactions for all system participants
- x. Manual adjustments
- xi. Total liability owned by the Agencies for Purse Values
- xii. Provide details of all inactive cards to support both internal and Washington State escheatment processes
- xiii. Automatic revalue transaction information, including product type, volume and value, reflecting the date the fare card was updated with the value
- xiv. Revenue from sales of regional passes apportioned across Agencies. Data will be subject to appropriate system business rules that govern calculation and allocation of regional pass revenue
- xv. Revenue from Purse Transfers distributed and adjusted for all Agencies. Data will be subject to appropriate system business rules that govern calculation and allocation/re-allocation of purse transfer revenue
- xvi. Revenue from sales of regional passes within Institutional programs apportioned across Agencies participating in the program. Data will be subject to appropriate system business rules that govern calculation and allocation of regional pass revenue
- xvii. Instances of NSF transactions results from a bad check or post payment automatic revalue
- xviii. Successfully processed card refunds
- xix. Statistics about the sales made at a 3rd Party Retailer and their associated locations.

4.0 Other Terms and Conditions:

Except as expressly amended by this Change Order, the Contract remains in full force and effect. All other provisions of the Contract not referenced in this Change Order No. 28 shall remain in effect unless modified in other executed Amendments and Change Orders.

IN WITNESS WHEREOF, the parties hereto have executed this Change Order No. 28 to Contract #229944 as of the date set forth below its signature.

ERG Transit Systems (USA) Inc.

By: _____
Its: _____

Date: _____

The Agencies

By: Candace Carlson
Their: Contract Administrator
On behalf of the Agencies
Date: 1/4/08

ATTACHMENT CHANGE ORDER 28-A

Description of the "Daily Sales for Retailer Report"



Daily Sales for ABC Retailer

Location: Location 1
Operator/ID: Silly Sally 12345
Report Period: 3/18/2007 to 3/18/2007

Sales Date	CSN	Receipt #	Payment Type	Product Type	Sales Volume	Txn Amount
03/18/2007	99905001	1111111111	Other	Metro Monthly Reduced Fare Pass	1	\$5.50
03/18/2007	99905010	1111111122	Other	Metro Monthly Reduced Fare Pass	1	\$5.50
Subtotal Metro Monthly Reduced Fare Pass					2	\$11.00
03/18/2007	99905023	2222222222	Other	PugetPass \$1.50	0.5	\$24.00
03/18/2007	99905023	2222222222	Purse	PugetPass \$1.50	0.5	\$30.00
03/18/2007	99905011	1111111166	Other	PugetPass \$1.50	1	\$54.00
03/18/2007	99905012	1111111177	Other	PugetPass \$1.50	1	\$54.00
Subtotal PugetPass \$1.50					3	\$162.00
03/18/2007	99905024	1111111133	Purse	PugetPass \$2.00	1	\$72.00
Subtotal PugetPass \$2.00					1	\$72.00
03/18/2007	99905002	1111111144	Other	PugetPass \$4.00	1	\$144.00
03/18/2007	99905005	1111111155	Other	PugetPass \$4.00	1	\$144.00
03/18/2007	99905006	1111111188	Other	PugetPass \$4.00	1	\$144.00
Subtotal PugetPass \$4.00					3	\$432.00
03/18/2007	99905006	1111111199	Other	Purse	1	\$20.00
03/18/2007	99905007	1111111123	Other	Purse	1	\$10.00
03/18/2007	99905120	1111111147	Other	Purse	1	\$10.00
03/18/2007	99905121	11111111471	Other	Purse	1	\$10.00
03/18/2007	99905122	11111111472	Other	Purse	1	\$10.00
Subtotal Purse					6	\$209.00
03/18/2007	99905122	11111111474	Other	Sound Transit All-Day Pass \$4.00	1	\$8.00
Subtotal Sound Transit All-Day Pass \$4.00					1	\$8.00
Subtotal 3/18/2007 Payment Method Other						\$894.00
Subtotal 3/18/2007 Payment Method Purse						\$0.00
Subtotal 3/18/2007					26	\$894.00
Subtotal Loony Larry Payment Method Other						\$894.00
Subtotal Loony Larry Payment Method Purse						\$0.00
Subtotal Loony Larry					26	\$894.00
Subtotal Location 1 Payment Method Other						\$1,678.00
Subtotal Location 1 Payment Method Purse						\$110.00
Subtotal Location 1					52	\$1,788.00

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Daily Sales for ABC Retailer

Report Period: 3/18/2007 to 3/18/2007

Total ABC Retailer Payment Method Other	\$1,678.00
Total ABC Retailer Payment Method Purse	\$110.00
Total ABC Retailer	52 \$1,788.00